

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, February 22, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us
Dave Tolman, DFM 334-2882, dtolman@dfm.state.id.us

Current agenda items:

1. Steve Allison (chair): approve minutes
2. Decision from co-chairs on prior year adjustments: Dave and Steve.
3. Feedback from Dave after discussion with DFM management about appropriate buckets to be included in 10 percent appropriation transfer.
4. Feedback from Dave on what the Legislature decided about change to the State's per diem rate.
5. Partial day per-diem: Larry and Steve Kenyon.
6. Employee Recognition Awards: Larry.
7. TC 282's: Steve.

Pending agenda items:

1. Draft of inventorable limit change to Pam Ahrens. Status: No news from Administration.

Future agenda items:

Sharon Weber: rotary policy and procedures update (possibly petty cash).

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

January 25, 2001

In attendance: Dave Tolman, DFM
Steve Allison, SCO
Darla Rankin, SCO
Tom Wilkerson, INS
Mike Aiello, ITD
Kristi Kelly, SCO
Nancy Handzel, IDWR
Guests: Connie Stearns

Agenda 1: Approve minutes. A motion to accept the minutes as written was made by Tom Wilkerson and seconded by Steve Allison.

Agenda 2: Prior year adjustments: A written response was received from the Attorney General's Office. The response said the policy written for prior year adjustments by the SCO appeared adequate. The response did not give clear feedback on how prior years adjustments should be handled.

Dave Tolman and Steve Allison meet with JFAC and have an agreement in principle to put in new legislation. The proposed change to the code section pertaining to prior year adjustments would allow an agency to do a prior year adjustment in the first six months after the close of the proceeding fiscal year, if the amount was under \$500,000. After six months, or if over the \$500,000 threshold, the change would have to go before the Legislature. Committee members had concern with the prior year adjustments that would happen outside of the six-month period.

As discussion of modifications to *Idaho Code* (67-3604) continued, the committee questioned the appropriateness of the modifications in code. The prior-year adjustments the committee is trying to address have to do with cash adjustments, not appropriation adjustments. Therefore, it may be more appropriate to draft an FPAC policy and not modify code. Tom moved that the co-chairs of the FPAC discuss and decide outside of this committee where guidance for prior-year cash adjustments should be created. Mike Aiello seconded.

Agenda 3: Steve reported that TC282 data from the Legislative Services Office database will be reviewed. Dave will discuss with DFM management the appropriate buckets to include in the 10 percent appropriation transfer.

Agenda 4: Dave reported that legislation was being discussed in the House today to change to State's travel per diem, not to exceed the Federal level (HB 36). Dave did not foresee issues. If the Legislature approves, the Board of Examiners will then set the rates.

Other items: Credit card, convenience fees, and policy improvement policies have been approved and are on the web!

Pending Agenda Items:

- 1) Inventoriable limit. Steve encourages agencies to contact the Department of Administration to express support of the increase of the inventory limit (from \$300 to \$2,000).
- 2) The resource memo to agencies to update agency descriptions has been drafted and will be sent out this week.

The next FPAC meeting will be held February 22, 2001, 1:15 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, April 19, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Dave Tolman, DFM 334-2882, dtolman@dfm.state.id.us

Current agenda items:

1. Dave Tolman, (chair): approve minutes
2. Per-diem legislation/Board of Examiners recommendation: Dave Tolman/Merideth Hackney.
3. Moving expense approval process: Steve Allison.
4. Inventoriable limits. Feedback received from Administration: Steve Allison.
5. Prior year adjustments- Connie Stearns
6. Compensatory time for travel- Tom W.
7. Agency billings for small amounts on a quarterly basis (memo from E. Chehey): Steve Allison.
8. Federal awards, double recording revenues and expenditures: Tim Wendland.

Future agenda items:

1. Rotary policy and procedures update (possibly petty cash): Sharon Weber.
2. Joint ventures: Steve Allison.
3. Holiday pay for flex-time: Steve Kenyon.
4. Credit card survey review: Steve Allison.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
February 22, 2001

In attendance: Kathy Chase, ITD
Steve Allison, SCO
Kristi Kelly, SCO
Tom Wilkerson, INS
Larry Kirk, LSO
Nancy Handzel, IDWR
Dave Tolman, DFM
Darla Rankin, SCO
Guest: Steve Kenyon, SCO

Agenda 1: Approve minutes. A motion to accept the minutes as written was made by Tom Wilkerson and seconded by Dave Tolman. Motion passed.

Agenda 2: Prior year adjustments. HB217. Amends existing law to provide error corrections resulting from a fiscal year's activities in state accounts, as to appropriations, may be recorded by the SCO without legislative authorization in the following fiscal year. Limitations are the amount cannot exceed \$500,000 or lapse more than six months after the end of the fiscal year. If more than six months have lapsed, Legislative approval will be needed. This bill currently has passed the House and is now in the third reading in the Senate.

Agenda 3: Dave reported that the current buckets for the ten percent activity **transfers** will remain the same. Code will remain the same so judgement can be used as different activities occur.

Agenda 4: HB 36 has been signed by the Governor and passed. This bill allows the Board of Examiners to determine the rates for per-diem as long as it is no higher than allowed by the Internal Revenue Code. Since the FPAC chaired this issue, a letter should be submitted to the Board of Examiners suggesting the rate be set at \$30 in state (or federal rate) and out of state rate of \$30 (or federal rate).

A suggestion for populating a database with rates was made and will be looked into.

Agenda 5: Partial day per diems. The Board of Examiners addressed this issue and decided if you travel and do not stay over night, meals become a taxable fringe benefit to that employee. Compliance will begin July 1, 2001. If the meal is included in registration, this would not be a taxable fringe benefit because this makes it hard to determine the value of the meal and the IRS looks at actual receipts.

A new subobject would need to be created. EIS will extract data from STARS for tax purposes.

A suggestion was made to send a letter to all agency directors giving them notice of this decision. Steve Kenyon will send out the letters.

Agenda 6: Employee recognition awards. There already is a policy in the FPAC manual. The committee decided there will be no changes.

Agenda 7: 282 TC's. Steve handed out a schedule of the agencies that use a 282 TC. These transaction codes have to be released by the SCO with a defined approval level. At this time, the committee does not recommend a change since there is already a control in place. The person releasing the batch at the SCO

should monitor agencies using these TC's. Larry also mentioned his people need to pull a trial balance by transaction code and start reviewing when doing an audit.

Meetings will now be the third Thursday of the month to follow the AGA luncheons. Next meeting is March 15 at 1:15. (Subsequently changed and rescheduled for April 19 at 8:00.)

Motion to adjourn meeting at 2:15 was made by Dave and seconded by Kathy.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, May 17, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us
Dave Tolman, DFM 334-2882, dtolman@dfm.state.id.us

In attendance:

Dave Tolman, DFM	Kathy Chase, ITD
Steve Allison, SCO (Chair)	Nancy Handzel, IDWR
Darla Rankin, SCO	Scott Christy, BSU
Larry Kirk, LSO	Kristi Kelly, SCO
Tom Wilkerson, INS	

Guests: Connie Stearns, SCO
Meredith Hackney, SCO

Current agenda items:

1. Approve Minutes
2. Accounting for federal grants: Tim.
3. Joint Purchasing Contracts: Connie Stearns.
4. Feedback from Tom about meeting with Office of Insurance Management about raising the inventory level to \$2,000.

Pending items:

1. BOE and subcommittee feedback on per-diems.
2. Quarterly billings for agencies: memo for guidance: Steve Allison
3. Prior-year adjustments: new draft for policy: Connie Stearns

Future agenda items:

1. Rotary policy and procedures update (possibly petty cash): Sharon Weber.
2. Need to adjust capitalization: Dave Tolman

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
April 19, 2001

Agenda 1: Approve minutes: A motion by Tom Wilkerson was made to accept the minutes as written and seconded by Kathy Chase.

Agenda 2: Per-diem legislation/BOE recommendation: A table can be downloaded from the federal web site. The problem is areas are broken down into counties, areas, etc. and causes a burden for fiscal officers and the traveler. Will the traveler know where or what county they are in and how will the fiscal officer verify this? Tom suggested that this be dealt with on an agency level.

If we want incidental rates included, we need to get more information to the Board of Examiners. A subcommittee needs to be formed to talk to the BOE subcommittee.

Agenda 3: Moving expenses: Currently, the BOE approves all moving expenses. This has caused a hardship on recruiting employees. A suggestion would be to have DFM approve or give the director the discretion to approve up to \$5,000 with no BOE approval.

Committee decided to let Ann Heilman pursue this issue and the FPAC would back her up.

Agenda 4: Inventoriable limits: Tom will meet with Office of Insurance Management to get them to get a change made before next inventory.

Agenda 5: Prior year adjustments: Need to amend the draft for prior year adjustment policy to incorporate effects from HB217. Any appropriation that has to do with the general fund, will be a current year adjustment, not a prior year adjustment. Connie will look at different scenarios and adjust policy as necessary. FPAC will look at this draft at the next meeting.

Agenda 6: Compensatory time for travel: The committee decided this is a managerial issue and there is already guidance in the policy. Steve will contact Ann on decision not to change. Suggest that she collect from each agency their compensatory time policies and compare them. If she sees a need for change, she should go to the BOE and request a change since FPAC already has a travel policy.

Agenda 7: Agency billings for small amounts on a quarterly basis: (June 15 is cut-off for interagency billings.) It was a hassle for agencies trying to figure out what small charges are for when an agency bills in lump-sum. Suggestion: have agencies bill on a quarterly basis. Steve will put memo together for guidance.

Agenda 8: Federal awards, double recording of revenues and expenditures: Agencies that are the primary recipient of federal grants account for these grants as expenditures/revenues and the pass through agency also accounts for this grant through expenditures/revenues. Information was presented on what TC's are used currently to account for grants. It was decided to do more research and rework the information so grant information will still be available for agencies.

Meeting adjourned at 10:00. Next meeting to be held Thursday, May 17 at 1:15.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA

For Thursday, June 21, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Dave Tolman, DFM 334-2882, dtolman@dfm.state.id.us

In attendance: Dave Tolman (chair), DFM	Kristi Kelly, SCO	Kathy Chase, ITD
Tom Wilkerson, INS	Nancy Handzel, IDWR	Guests: Connie Stearns
Darla Rankin, SCO	Scott Christy, BSU	Tim Wendland

Current agenda items:

1. Approve minutes.
2. Joint purchasing contracts: Connie Stearns.
3. Fixed Asset Policy revisions: Darla Rankin.
4. Double counting Federal Grants: Tim.
5. Credit card survey review: Steve Allison.
6. Software capitalization: Darla Rankin.

Pending items:

1. Prior year adjustments: amendment to policy draft: Connie Stearns.
2. Review of petty cash policy: Marion Demer.
2. BOE and subcommittee feedback on per diems.
3. Quarterly billings for agencies: memo for guidance from Steve Allison.
4. Feedback on inventoriable limits: Tom Wilkerson.

Future agenda items:

1. Rotary policy and procedures update (possibly petty cash): Sharon Weber.
2. Need to adjust capitalization: Dave Tolman.
3. Holiday pay for flex-time: Steve Kenyon

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES

For Thursday May 17, 2001

Agenda 1: Approve minutes: Motion to approve minutes was made by Tom Wilkerson. Motion passed.

Agenda 2: Accounting for federal grants: A solution for double accounting of revenues and expenditures between primary recipients and sub-recipients was reported by Tim Wendland. The possible use of new TC's for GAAP GL's was suggested. This would allow agencies to retain their original information on grants for reporting purposes. Tim will draft a policy for procedures on what TC's to use when accounting for these grants.

Agenda 3: Joint Purchasing Contracts: A problem occurs when an agency makes a purchase for goods or services that involves one of more agencies. The current way of accounting for these purchases causes negative revenues to show in the cash flows. A recommendation is to use new TC's. Darla will write up guidance to present at the next meeting. A suggestion to use scenarios in the guidance was given.

Agenda 4: Inventoriable limits: Tom talked to Joan Compton at the Dept. of Admin. about getting someone to move on the inventoriable limits. Tom e-mailed Cynthia Ness who said she would try to get approval from Rick and Pam. Tom will follow-up with Rick and Pam.

Other: Darla handed out revisions to the fixed asset policy and a handout on software capitalization. Please read and be ready to discuss at next meeting. Darla reported that software capitalization needs to be looked at; currently the GAAFR puts software capitalization at a level of "other sources". Darla thinks this will change to a level 1.

Meeting adjourned at 2:15. Next meeting is Thursday, June 21, at 8:00.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, September 20, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us
Dave Tolman, DFM 334-2882, dtolman@dfm.state.id.us

Current agenda items:

1. Approve minutes.
2. Prior year adjustments- Connie Stearns
3. Double counting federal grants- Tim Wendland
4. Draft for petty cash- Ray Ineck.

Future agenda items:

1. Need to adjust capitalization- Dave Tolman
2. Holiday pay for flex-time- Steve Kenyon

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES
For Thursday, July 19, 2001

In attendance: Dave Tolman (chair), DFM
Steve Allison, SCO
Darla Rankin, SCO
Tom Wilkerson, INS
Larry Kirk, LSO
Ray Ineck, LSO
Nancy Handzel, DWR
Kristi Kelly, SCO

Guests: Marion Demer, SCO
Connie Stearns, SCO
Tim Wendland, SCO

Agenda 1: Approve minutes. Motion by Kathy Chase to approve minutes and seconded by Tom Wilkerson.

Agenda 2: Joint Purchasing Contracts: Agencies joining into one contract, in some cases, causes the contracting agency to have to pay and wait for reimbursement from the other agency. Several suggestions were brought up, such as at signing of the contract have the other agency pay at that time, recording a deposit, or have the vendor send invoices to each agency involved. After much discussion, it was decided to form a subcommittee including the agencies that do joint ventures (SCO, Library, Administration, and Transportation) to get input so a new policy could be drafted. Darla and Connie will chair as well as having Kathy Chase involved.

Agenda 3: Fixed Asset Policy revisions: Darla will e-mail a condensed version of the Capital Asset Policy draft to members to read. Darla would like members to e-mail feedback to her by Tuesday, July 24. Darla asked that members e-mail even if you think the policy looks great the way it is! An exposure draft from Darla will go out to agencies, as well as to members of the FPAC, for comments.

Agenda 4: Double counting of Federal Grants: Tim will report at the next meeting.

Agenda 5: Credit card survey: Steve had handed out a survey that was for information purposes only. No action required.

Agenda 6: Software capitalization: Darla reported that although GASB has no guidance on software capitalization, there is SOP98-1, which says software should be capitalized. Although SOP98-1 specifically does not apply to state and local governments, state and local governments could choose to follow SOP98-1. Therefore, a new draft on software capitalization is being started and the committee will continue to work on.

Agenda 7: Petty Cash. If there is a need for petty cash for change drawer, is it necessary to have a rotary? Is there another mechanism to use in place of the rotary? How could petty cash be used for a change fund/petty cash fund and get away from a rotary fund? Ray Ineck will draft a new policy and present the draft at the next meeting.

Next meeting to be held Thursday, September 20 at 1:15.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, October 18, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Current agenda items:

1. Approve minutes
2. Double counting of federal grants: Tim Wendland
3. Petty cash draft: review and give feedback.
4. PY adjustments feedback.

Future agenda items:

1. Software capitalization: Darla Rankin. Since CAFR season is upon us, software capitalization will be addressed at a later date.
2. Holiday pay for flex-time: Steve Kenyon.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES
For Thursday, September 20, 2001

In attendance:

Dave Tolman, DFM
Steve Allison (chair), SCO
Tom Wilkerson, INS
Ray Ineck, LSO
Kristi Kelly, SCO

Guests: Connie Stearns, SCO

Agenda 1: Approve minutes. Motion by Tom to approve minutes as written; seconded by Ray Ineck.

Agenda 2: Prior year adjustments. Some prior year adjustments policy makers care about, while others are not as important. Some guidance is needed. Connie drafted a policy for the FPAC to review. Please e-mail comments to Kristi and she will get them to Steve by the next meeting.

Agenda 3: Tim will report at next meeting on double counting of federal grants.

Agenda 4: Policy draft for petty cash. Ray presented a draft for review by the committee. This make cash available for agencies who do not wish to have a rotary. Small amounts of cash needed should use the P-card. Steve will give draft to Marion for input.

Agenda 5: Capital asset policy. It was suggested to have asbestos removal specifically put into the capital asset policy. The committee decided to not get specific about any one item, especially when only a small number of agencies are affected by this. A suggestion was made to add an example to page 7, item 6 to address the issue. Asbestos removal should be expensed.

Get Capital Asset Policy ready to go to J.D. for his approval.

Next meeting to be held Thursday, October 18, at 1:15.

Meeting adjourned at 2:25.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, November 15, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Pre-meeting assignments:

1. Ray Ineck, Marion Demer-Draft Change Fund Policy and Petty Cash Policy per committee's guidelines-see October minutes. Send draft policies to committee members by November 9.
2. Steve Allison-Contact Jane Wright to solicit new FPAC member.
3. Kathy Chase-Prepare background materials for the DFM \$300 capital outlay discussion.
4. All members:
 - Review prior year adjustment policy and send comments to Steve Allison or Connie Stearns by November 9.
 - Review Revenue/Expenditure elimination policy and send to Tim Wendland and Steve Allison by November 9.

Current agenda items:

1. Approve minutes.
2. Review of comments/changes to prior year adjustment policy-Connie Stearns.
3. Review of comments/changes to revenue/expenditure elimination policy-Tim Wendland.
4. Discuss and comment on Petty Cash Policy-Ray Ineck/Marion Demer
5. Discuss and comment on Change Fund Policy-Ray Ineck/Marion Demer.
6. Introduce DFM \$300 capital outlay issue-Kathy Chase.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES For Thursday, October 18, 2001

In attendance: Steve Allison, SCO
Tom Wilkerson, INS
Kathy Chase, ITD
Nancy Handzel, DWR
Darla Rankin
Guest: Tim Wendland, SCO
Connie Stearns, SCO

1. Approve minutes. Kathy motioned to approve the minutes as written; Tom seconded.
2. Revenue/Expenditure Eliminations. Tim gave copies of the draft policy on revenue/expenditure eliminations. Tom suggested the policy include more than just federal grant eliminations since many activities occur in the state which result in double reporting of revenues and expenditures. The committee discussed the fact that not all revenues and expenditures occurring in the state should be eliminated. Tim will include guidance in the policy as to when eliminations are necessary. Tom also suggested addressing revenues/expenditures that cross funds. Connie added that if a TC is generated in STARS, it must stay in one fund. Tim will include additional explanations and research the crossing of funds. Committee members will review the draft policy and forward all comments to Steve or Tim (Committee chair requests comments by 11/9).
3. Petty cash. The committee reviewed Ray Ineck's draft revision of the policy on Cash & Cash Equivalent--Petty Cash. The committee also reviewed Marion Demer's additional comments. After reviewing, the Committee felt it appropriate to establish a separate policy for change funds and a separate policy for petty cash funds. Each policy will also address the establishment/replenishment of these funds in two different ways agencies can choose--through the rotary fund or through the use of STARS warrants. New GL's and TC codes will need to be created for the use of warrants to establish and close change funds and for establishment of petty cash funds. Steve will talk with Ray and Marion about making these changes with the goal of getting the revised policies out to committee members for review before the November meeting.
4. PY adjustments—the Committee will review and provide input at the next meeting.
5. Additional discussion. Scott Christy resigned as a member of FPAC. Steve will talk with Jane Wright in order to obtain a replacement from a large agency through the Fiscal Officer's Association.

In order to make the meetings more productive and valuable, it was suggested that the current agenda item list include all items/assignments they should complete prior to the meeting. This would require all information be distributed to the member prior to the meeting with sufficient time to review. It would also be helpful to include the person leading the discussion.

Kathy suggested that DFM's \$300 capital outlay requirement be included on the agenda.

Next meeting to be held Thursday, November 15, 2001 at 1:15.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, December 20, 2001

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Pre-meeting assignments:

1. **Marion** Demer- make requested changes to the draft policies, Change Fund and Petty Cash and get to committee members to review.
2. **Steve** Allison- follow-up with getting a replacement for Scott Christy.
3. **Connie** Sterns- update PYA policy draft and get out to members for review.
Steve will meet with DFM to discuss.
4. **Kathy** Chase- Prepare background materials for the DFM \$300 capital outlay discussion.

Current agenda items:

1. Approve minutes.
2. Review of comments/changes to prior year adjustment policy- Connie Sterns.
3. Review of comments/changes to revenue/expenditure elimination policy- Tim Wendland.
4. Review of changes to Petty Cash and Change Fund policies-Marion Demer.
5. Introduce DFM \$300 capital outlay issue- Kathy Chase

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES
For Thursday, November 15, 2001

In attendance: Steve Allison, SCO
Tom Wilkerson, INS
Ray Ineck, LSO
Darla Rankin, SCO
Kristi Kelly, SCO
Mike Aiello, DFM
Guests: Marion Demer, SCO
Connie Sterns, SCO

Agenda 1: **Approve minutes.** Tom made a motion to accept the minutes as written.
Motion passed.

Agenda 2: **Review or comments/changes to prior year adjustment policy.** A lengthy discussion ensued about prior year adjustments. The main concern is dealing with current year adjustments that would have affected prior year appropriations. Some commented that it is important that the agency requesting a prior year adjustment would have had enough appropriations left from the prior year to cover the adjustment. Steve indicated discussions with DFM may result in DFM retaining authority on implementation of PY adjustments. Connie and Steve will coordinate a meeting with DFM, make necessary changes to the policy, and send out to committee members for review.

Agenda 3: **Review or comments/changes to revenue/expenditure elimination policy.** Since members had two different drafts, Kristi will send a copy to each member to review and comment on. Please send comments/changes to Tim before next meeting.

Agenda 4: **Petty Cash and Change fund.** The committee members requested small changes to the draft policies. Marion will make the changes and get copies to the members for review.

Agenda 6: **DFM \$300 capital outlay issue.** We will review at next meeting since Kathy was unable to make the meeting.

Other: Steve reported there is not a replacement for Scott Christy, yet.

Meeting adjourned at 3:10. Next meeting is scheduled for Thursday, December 20 at 1:15.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
For Thursday, January 17, 2002

To add items to the agenda, contact:

Steve Allison, SCO 334-3150, sallison@sco.state.id.us

Pre-meeting assignments:

1. **Prior year adjustments.** Continue working on the prior year adjustments policy draft. (Steve and Connie.)
2. **Revenue/expenditure elimination policy. (Tim.)** Committee members need to get any comments or proposed changes from policy draft e-mailed to you before last meeting, to Tim.

Current agenda items:

1. **Approve minutes.**
2. **Revenue/expenditure elimination policy.** Review any changes submitted by committee members and get final policy draft ready to go out to agencies for review. (Tim).
3. **DFM's \$300 capital outlay. (Kathy Chase).** Get any feedback from members of the committee on meetings that may have been scheduled prior to January FPAC meeting.
4. **Employee Recognition Expenses (Steve).**
5. Follow-up on any new developments on **prior year adjustments. (Steve).**

Pending agenda items:

1. **Joint purchasing contracts: Darla.** Prepare guidance to present at next meeting for use of new TC's.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE (FPAC) MINUTES
For Thursday, December 20, 2001

In attendance: Kathy Chase, ITD	Nancy Handzel, DWR
Steve Allison, SCO	Tom Wilkerson, INS
Ray Ineck, LSO	Kristi Kelly, SCO
Mike Aiello, DFM	Guest: Marion Demer, SCO
William Hart, TAX	

Agenda 1: **Approve minutes.** Kathy moved the minutes be accepted as written; Tom seconded.

Agenda 2: **Prior-year adjustments.** Steve reported he had not been able to meet with Brad Foltman because of busy schedules but he had held a meeting with several staff members from SCO and the matter of prior-year adjustments has become quite complex. They are trying to make sure all prior-year adjustments that may take place have guidance in the proposed PY Adj. Policy. Not all prior-year adjustments over \$500,000 may warrant approval of the legislature. Work will continue on this policy and Steve will meet with Brad Foltman and discuss this further, when possible.

Agenda 3: **Revenue/expenditure elimination policy.** Review of comments/changes to the revenue/expenditure elimination policy was postponed until the January meeting since Tim was getting the CAFR off to the printers and mailed out to GFOA for certification.

Agenda 4: **Petty cash/change fund.** Changes to the petty cash and change funds drafts were discussed. William questioned why we would need two policies. A change fund would be needed when doing a high volume of retail, whereas the petty cash would be for situations when an agency needed cash to go buy small items. There may be circumstances where the petty cash may be fit to use as a change fund but a change fund should never be used as a petty cash fund. Marion will consider changes to accommodate these concerns as she revises the draft. This revised draft will be sent out to the agencies for review and comment.

Agenda 5: **DFM \$300 capital outlay.** DFM's capital outlay definition including a \$300 minimum, per item, needs to be increased to be more in line with the increase in inventory limits. A meeting with LSO and DFM needs to be set-up. Ray will talk to Jeff Youtz and Mike will talk to Brad Foltman, while changes may not be implemented until after this legislative session. This process should get started so there is a resolution by next budget preparation season. Tom requested there be a response.

Ray wanted to know the procedure for getting inventory off the system and still needing a tag. There is a problem when surplusizing this inventory when tag is removed. Steve will contact Kathy Ewert about surplus property.

Next meeting to be held Thursday, January 17, 2002 at 10:00.